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27 February 1967

DCI BRIEFING FOR HOUSE
ARMED SERVICES COMMITTEE

THE SOVIET UNION

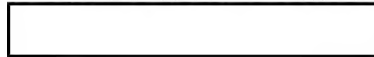
Before turning to the subject of Communist China, I want to discuss briefly those elements of the Soviet political and economic situation which have a direct bearing on national power, and then the Sino-Soviet dispute and the situation along the Sino-Soviet border.

The Soviet Leadership

- I. The men who threw out Khrushchev more than two years ago have now had time to establish their policies, their relationships, and their method of operation.
 - A. What has emerged is essentially a collective leadership.
 1. There has been a steady enlargement in the position of the Party General Secretary, Leonid Brezhnev.
 2. The present leaders, however, are a blend of mixed interests and authority. They have held together remarkably well, but they have done it with undramatic,

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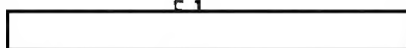
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middle-of-the-road policies. The guiding principle appears to be: "Don't rock the boat."

- B. Decisions are determined by compromise, and implemented with caution.
 - 1. This avoids the erratic initiatives of Khrushchev's time, and minimizes the risk of major failures.
- C. The present leadership has not yet demonstrated, however, that it has designed a durable governmental machinery which can make the hard decisions and still avoid the tendency toward the one-man rule of the Stalin and Khrushchev eras.
 - 1. Such highly political problems as economic reform and resource allocation have not been resolved.
 - 2. And while the Kremlin outwardly maintains an image of collective leadership, the subtle struggle for power and position continues.

Soviet Economy

- II. The Soviet economy in some ways symbolizes this temporizing on the part of the leadership. The same problems are still there; reforms are being attempted cautiously and gradually. As an example,



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the U.S.S.R. is already in the second year of a Five-Year Plan period, and the plan has not yet been put in final form and approved.

A. The Soviet economy is somewhat less than half the size of ours, and the Soviet Gross National Product in 1966 was about 45 percent of the U.S. GNP.

1. The GNP growth rate in Russia last year was 7 1/2 percent, but this was due to the largest grain crop in Soviet history.
2. The average growth rate of the preceding five years was 4 1/2 percent, and the outlook from now through 1970 is for about 4 to 5 1/2 percent increase each year.

B. Whatever the problems, and whatever the achievements, we expect that the economy will give the military establishment whatever is considered necessary by the Kremlin for national security.

Military Expenditures

III. Soviet spending for military purposes and space remained fairly stable from 1962 through 1965, but it increased an estimated 7 percent in 1966. It appears that another 4 percent will be piled on top

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of last year's increase in 1967.

A. The Soviets have announced a military budget for 1967 which is the highest since World War II. It amounts to 14.5 billion rubles--an increase of 1.1 billion over the published figures for 1966.

1. The announced defense budget, however, includes only about 60 percent of the actual military expenditures.

2. We estimate that total Soviet defense spending in 1967 will be about 19.8 billion rubles, or about 54 billion dollars in comparable terms.

B. Soviet spending for advanced military and space systems--and particularly for Research and Development--is growing much faster than the total defense budget.

1. As this chart shows, it more than doubled between 1958 and 1966.

2. These programs demand the best and scarcest resources in plant, material, and skilled technology. The military demand for these resources highlights the whole resource allocation problem in the Soviet Union. But we expect that the

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military and space programs will continue
to have first call on available resources.

Soviet Relations with the United States

- IV. I want to touch on just two facets of Soviet foreign policy--Soviet relations with the United States, and the Sino-Soviet dispute.
- V. On the question of relations with the United States, the public stance of the Soviet leaders at present is that it is difficult to make any progress in resolving issues with a nation which is attacking their Communist brethren in North Vietnam.
- A. This position is dictated to a degree by the role which support of the North Vietnamese has come to play in the Sino-Soviet dispute.
1. It is also, of course, a handy pretext by which the Russians can require the overtures to come from us.
- B. In fact, however, there has been some progress on issues not affecting Vietnam--for instance, the recent civil air and space agreements, and the indications that it may be possible to agree on a nuclear non-proliferation treaty.
- C. In private, Soviet leaders have used numerous opportunities to emphasize that they want to

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avoid any showdown with Washington over the Vietnamese issue.

- D. The Kremlin leaders realize that if there is going to be any meaningful progress along the lines of their national interests in such matters as European security, arms control, and East-West trade, sooner or later they are going to have to resume the dialogue with the United States.
- E. I have no doubt that the Soviet leaders are delighted to see the United States bogged down in Southeast Asia, and that they will continue to give the North Vietnamese any aid which involves no major risk for the Soviet Union.
- F. They do not, however, wish a direct Soviet-U.S. confrontation, and it is clear that they want to keep their lines of communication with Washington open and working.

The Sino-Soviet Dispute

- VI. As for the Sino-Soviet dispute, the dominating factor in Soviet foreign policy today is that relations between Moscow and Peking have hit rock bottom.

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A. The Chinese have done their best in recent weeks to goad Moscow into making a full diplomatic break.

1. In mid-February, Peking eased up a bit on some of the harassing tactics, but the Chinese had already demonstrated that they had it in their power to force every last Russian out of Peking---and they can exert that power at a moment's notice.
2. Each side would prefer not to take the final step in breaking diplomatic relations, but the Soviets probably have the most to lose.
3. A complete break could greatly complicate Moscow's problems in getting military aid through China to North Vietnam.
4. Virtually all Russian arms aid has taken this overland route, largely because of Soviet reluctance to risk a confrontation with the U. S. on the high seas.

B. If the Chinese can force the Soviets to break relations, they can then charge that the Soviets are to blame for any interruption in the delivery of military aid to North Vietnam.

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1. China has already tried to exploit Soviet unwillingness to use the alternate sea route, charging the Russians with cowardice.
 2. The Chinese probably believe that in a pinch the Soviets would still refuse to ship by sea, and thus would discredit themselves in Hanoi.
- C. Moscow is preparing for the worst, carefully documenting the record in an effort to blame Peking if aid to Hanoi is disrupted.
1. An official Soviet statement on February 9 accused Peking of "preventing the solution of concrete questions," and Moscow has published charges that the Chinese are diverting, sabotaging, or re-labeling Soviet war materiel passing through China to North Vietnam.
 2. Soviet propaganda media have blamed Chinese intransigence for the resumption of U.S. bombing on February 14.

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3. [] says Laos has granted overflight rights for Soviet aircraft to and from Hanoi as long as they carry no war materiel. One Soviet IL-18 transport went home by this route on February 10 when Peking was harassing Soviet flights, but no air route would be a feasible substitute for rail shipments through China.

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VII. The Soviets would like to hang on in Peking, and may still hope to ride out the current crisis.

- A. They would prefer, if at all possible, to keep some representation in China, on the slim chance that at some point they could exert some influence on the direction of the current upheaval.
- B. Perhaps more important, Moscow clearly is unwilling to make it easier for China to deny it overland access to Hanoi.
- C. The USSR has already gone to great lengths to maintain a presence in China.
 - 1. When the Soviet embassy in Peking was placed under virtual siege, most of the dependents were flown home, but the same aircraft brought in tons of food, and tough young guards to patrol the embassy grounds. The Russians even turned their swimming pool into a water reservoir in case the Chinese should cut off utilities.

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THE SINO-SOVIET BORDER

I. The situation along the Sino-Soviet border provides evidence that Moscow considers the dispute with China a genuine cause for concern.

A. The Soviets have been strengthening their military positions along the border for the past 18 months.

1. The build-up has been gradual, and looks more like a reflection of contingency planning than a crash effort in reaction to recent developments.
2. We have no hard evidence of any major clashes along the frontier, although there have been persistent reports from both Moscow and Peking of scattered incidents.

B. The Russians have added as many as 35,000 ground troops and several thousand border guards to their relatively lean military positions near China and Mongolia since 1963. The bulk of the build-up has taken place since October, 1965.

1. The four military districts bordering on China now have about 275,000 ground force troops.

C. Opposite Chinese Sinkiang, the Soviets have now established an army corps headquarters,

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with at least two and possibly three divisions. One of these divisions was transferred from the North Caucasus Military District.

1. Since October, 1965, they have also built eight new airfields in this area, which would permit rapid augmentation by airlift.
- D. The Transbaykal Military District is up from two tank divisions to four, concentrated in the area near Dauriya where Manchuria, Mongolia, and the Soviet Union meet.
 1. The Military District Commander is the former top Soviet armored officer in East Germany.

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- E. Since October, 1965, the Soviets have sharply expanded the deployment of their most modern air surveillance data network, to provide better air defense for the Trans-Siberian Air Defense District, which lies north of Sinkiang and Mongolia.

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1. During 1966, we received good [REDACTED]
25X1D [REDACTED] evidence that a Mongolian air defense system is taking shape. It is very closely supervised by the Soviets.

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II. [] has reported that the Soviet military intelligence organization-- the so-called G.R.U.--was reorganized about a year ago, to provide better intelligence on China.

A. We have been interested to observe that the Soviets are using some of the latest techniques for covering denied areas to keep up with what's going on in China.

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B.

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has recently

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managed to obtain a list of Soviet intelligence requirements, as of early 1966, for information on China.

- C. We continue to receive reports that there have been incidents and minor clashes along the border, but there is no confirmation. The Soviet press has carried accounts of two incidents in February along the Manchurian border, naturally blaming the Chinese for starting both of them.
- D. The Soviets have recently tried to increase the unrest among ethnic minorities in Sinkiang.
1. Soviet broadcasting in Uighur has increased sharply, and is being carried by transmitters closer to the border to increase the effective range. (The Uighurs in Sinkiang are ethnically related to the Turks. Peking accused the Soviet Union of luring 60,000 of them across the border in 1962.)

2. Sinkiang Province appears to be one of the trouble spots in the current Chinese domestic turmoil, and the Soviet press has been using Peking's "cultural revolution" as a peg for lurid accounts of Chinese persecution of central Asian minorities.

III. The Chinese are extremely uneasy over Soviet intentions--both political and military--along the remote frontier area. They have done plenty of talking in public and private about these Soviet activities, but so far they have done little to boost their own military capabilities along the border.

A. They tightened security controls along the border during the Uighur unrest in 1962 and 1963, and these controls apparently are still being rigidly enforced.

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ARMED SERVICES COMMITTEE

COMMUNIST CHINA

Introduction

I. Before I take up Communist China's advanced weapons and conventional military forces, I want to discuss the "cultural revolution" that has been shaking the country, because it provides a fantastic background for the continued progress of Peking's military establishment, and at the same time imposes certain obvious if temporary limitations on its effectiveness.

A. You have all seen pictures, I'm sure, of swarms of Chinese teen-agers marching through the streets or across the countryside, holding little books from which they chant quotations from Mao Tse-tung.

B. This is what is known as "Mao's thoughts." In China today, they are credited with almost miraculous power, although for the most part they are a collection of tired old clichés like "all power comes out of the barrel of a gun," or "be resolute, fear no sacrifice, and and surmount every difficulty to win victory."

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C. Even the Russians, who have been known to quote Marx and Lenin, find Mao's thought a bit silly. Pravda cited the case of a Chinese who commented that if a man didn't know how to climb a pole, studying Mao's thoughts would hardly help him do it. The man was denounced and purged because everybody in China knows that "a study of Chairman Mao's work gives immediate results."

1. Chou En-lai's wife recently stated that doctors successfully sewed back a finger which had been cut off because they had studied Mao's thought.
2. A forestry conference in Peking concluded that the study of Mao would enable the forestry service to grow better trees.
3. Peking Radio says that fighter pilots shouted quotations from Mao over the intercom as they started a dog-fight, and were therefore able to shoot down a Chinese Nationalist aircraft.
4. And according to the Chinese Communist news agency, a Lanchow worker who broke an arm, a leg, and several ribs in a fall refused sick leave, because Mao's thought enabled him to live with his pain.

II. To us, it sounds ridiculous, but for the Chinese it is in deadly earnest. A street mob recently forced

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the Chinese chief of state, Liu Shao-chi (Lyew Shaho-chee) to recite Mao quotations from memory, and ridiculed him when he fluffed a line.

Chinese Political Developments

I. Communist China is being racked by the greatest political convulsions since Mao Tse-tung took control in 1949.

A. Mao, at 73, is aging, sick, and more and more inflexible.

1. He is clearly concerned that his Communist Party is losing the revolutionary zeal of its early days, and cannot be relied on to keep China on the right track after he is gone.

2. The teen-aged millions of the Red Guard are supposed to re-kindle that zeal with their youthful and unbridled enthusiasm.

B. To Mao Tse-tung, the cultural revolution is primarily a drive to re-shape the Communist Party, or replace it with a more reliable, more fanatical, and younger version.

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C. But for the men who aspire to succeed Mao, it has become a naked struggle for power and for survival.

II. It is difficult to determine from day to day where the cultural revolution stands, who is on which side, or who is going to come out on top.

A. The prime mover for several months was Defense Minister Lin Piao (Lin Beeow), Mao's designated successor.

1. As soon as Lin was proclaimed Mao's heir-apparent last August, he began driving to unseat any potential rivals.
2. His immediate targets were the two men who have been at the top of the party machinery, Chief of State Liu Shao-chi (Lyew Shaho-chee) and the general secretary, Teng Hsiao-ping (Dung Sheeow-ping).
3. Lin appeared to have won a victory when Madame Mao and other leaders began denouncing Liu and Teng savagely at rallies in Peking last December.

B. Subsequent developments, however, suggest that Liu may have lost the initiative to Premier Chou En-lai (Joe Un-lie).

1. Lin hasn't made a major public speech since early November, and dropped from public view in late November.

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2. Lin's name shows up in print much less now than it did last fall.

3. Lin has been in chronic poor health for years, and this may have contributed to his apparent political decline.

C. Chou En-lai, on the other hand, has been the dominant figure in Peking in recent weeks.

1. He has been issuing directives on how to conduct the "cultural revolution," and has even been ordering Lin's troops around to settle disputes between Red Guards and local authorities.

III. Early in January, the leadership struggle entered a critical phase.

A. Evidence began appearing that the army was less than monolithic in its loyalty to Mao and Lin.

1. On January 11, for instance, the cultural revolution group which was supposed to be purging the military leadership was itself purged, and was replaced by a new and presumably trustworthy group of 18 men. Within a week, however, two or three members of this new group were themselves under attack on ideological grounds.

B. At about the same time, several military commanders in crucial positions were denounced for having

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plotted a coup. They included the commander and the political commissar of the Peking garrison, the commander of armored forces, a member of the party's powerful Military Affairs Committee, and a number of key commanders in the provinces.

- C. A number of top regional party officials were accused of having joined in the plot. The most important was Tao Chu (Taho joo) who was both the party boss of the Central-South region, in Canton, and number four man for a while in the inner circle of Peking leaders. Tao was very active in Peking right up to the time of his downfall at the end of December.
- D. We don't know the full story, but we suspect that Mao and Lin may in fact have had a very close shave in December or January.
- E. The opposition aligned against them was a formidable group, and it did not give up without a struggle.
 - 1. For several weeks after the turn of the year, there were disorders throughout China, as Mao's opponents incited strikes and riots, and managed to disrupt transportation and production.
- F. It is now evident, however, that the opposition has been largely suppressed. Many of its leaders have been arrested, or are in hiding, and Peking is working out an accommodation with several provincial leaders.

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1. Reports of fighting and disorder dropped off sharply in February.
2. Most of the incidents now involve clashes between groups of unruly Red Guards.
3. The army has been ordered to bring these groups under control, and some of the more militant Red Guard organizations are being disbanded.

IV. This return to a more orderly situation indicates that most key military commanders remained loyal to the present political leaders in Peking.

A. The course of developments indicates, however, that their loyalty was secured only after Peking shifted to more moderate tactics in the power struggle.

1. It is also significant that in January, before the army took an effective role, the major responsibility for running the cultural revolution shifted to Chou, who is not only a competent compromiser, but more flexible and more reasonable than either Mao or Lin.

B. The steam does seem to be going out of the cultural revolution. Its excesses could be attributed to a considerable degree to the volatile and unruly youngsters who made up the Red Guard.

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1. Now a February 19 directive of the Central Committee has ordered the secondary schools reopened on March first. What's more, the schools have been told to concentrate on the academics and not spend too much time studying Mao's writings when they do reopen.
- C. A word of caution is in order about the day-to-day reporting of the recent turmoil from Tokyo, from Hong Kong, and from the handful of foreign correspondents in China, who are virtually confined to Peking itself:
 1. The Chinese Communists do a great deal of their talking in metaphor and hyperbole. Some of the reports of pitched battles may have arisen from the use of military language to describe what was essentially a street brawl between opposing political factions.
 2. Much of the reporting has relied on wall posters. Premier Chou En-lai's latest speeches have described them as irresponsible.
 3. A great deal of this reporting can neither be confirmed nor refuted by the hard intelligence we get on what is actually happening.
- V. There is little doubt, however, that many officials have fallen victim to the purge.
 - A. Order is being gradually restored, but it is too early to conclude that the situation has been

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stabilized.

- B. Mao's victory has been won at great cost--if it has been won. The party apparatus is all but shattered, and the purge has left a legacy of mistrust and bitterness among the surviving leaders,
- C. If Chou En-lai manages to consolidate his position, and emerges as the dominant figure, the trend of recent weeks toward moderation and reasonableness will probably continue. It is conceivable that Chou has already achieved a considerable degree of control.
- D. At this point, however, there is little hard evidence that Mao has lost his ultimate control to the more moderate elements.
 - 1. As long as Mao remains the leader of Chinese Communism, he can be expected at any time to renew his attempt to reshape society along radical lines.
 - 2. This would certainly renew the turmoil and the infighting among top leaders.

VI. Thus the long-range effect of the cultural revolution remains up in the air, but there are two points which we can make:

First, until Mao goes and a new leader has firmly consolidated his succession, China's leaders will be divided and in conflict. They will find

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it difficult to agree on any new policy lines, so we do not expect any radical departure from existing policies.

Second, whoever wins, we can see no reason to expect any dilution of Peking's implacable hostility toward the United States.

For some time to come, however, the Chinese Communists will probably suffer from a cultural revolution hangover that could limit their capacity to engage in foreign adventures.

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CHINESE COMMUNIST ADVANCED WEAPONS

I. The Chinese Communists are making a concerted effort--on their own and with overriding priorities--to develop modern weapons for strategic attack. They are devoting increasing resources to missiles and nuclear weapons.

A. In 1966, they conducted their third, fourth and fifth nuclear tests, apparently delivering one of the devices by missile.

B. They are, therefore, making progress toward a nuclear strike capability.

C. We estimate that they could begin to deploy a medium-range ballistic missile with a nuclear warhead this year, and their first crude ICBMs in the early 1970s.

(MAP, CHINESE ADVANCED WEAPONS FACILITIES)

II. The fourth Chinese nuclear test was a device

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The Chi-

nese claim it was delivered by ballistic missile.

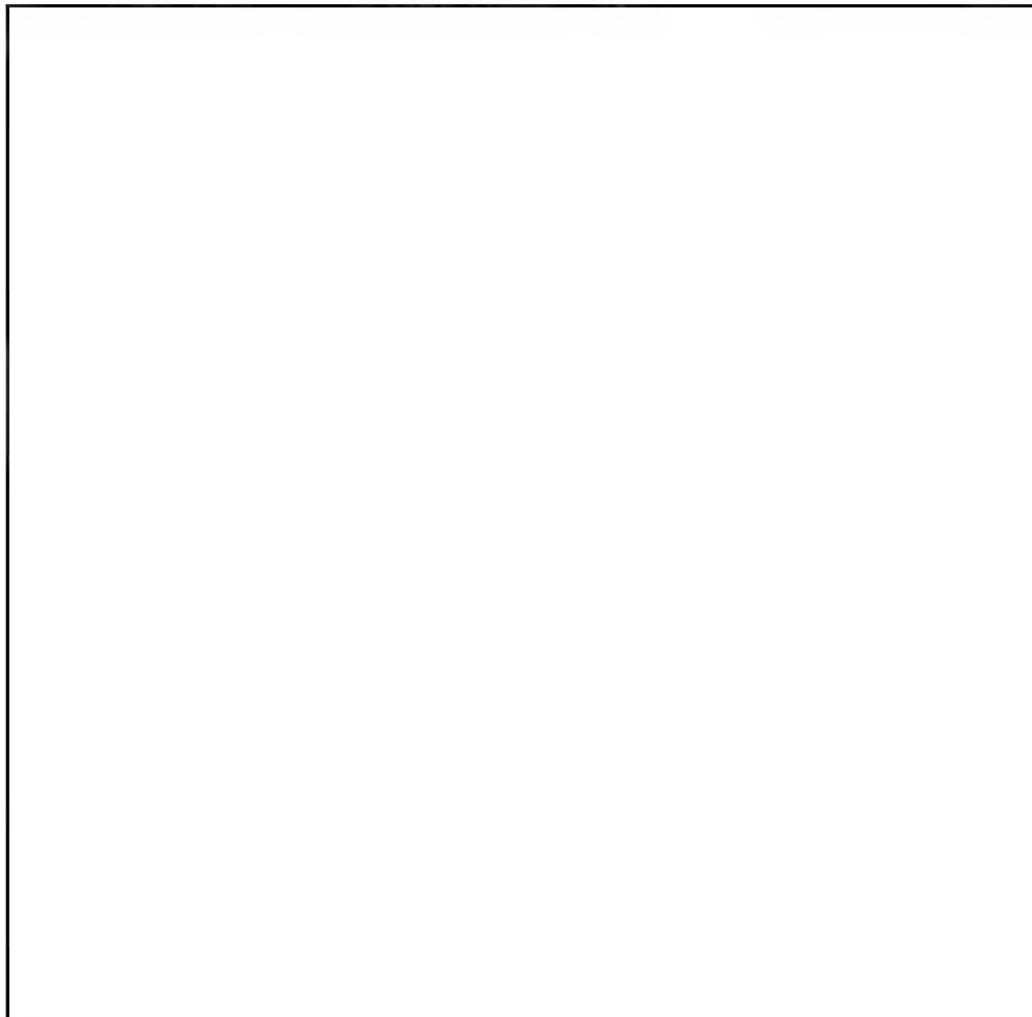
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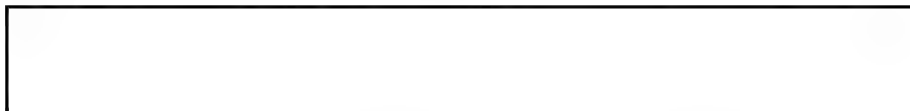
III. The latest Chinese nuclear test, [REDACTED]

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B. The tests indicate that the Chinese can manufacture nuclear bombs which can be carried by their medium bombers--about a dozen old TU-4 BULLs similar to our B-29, and two TU-16 BADGER jet bombers.

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2. Their likely immediate goals, however,

are probably warheads for short- and medium-range missiles, and possibly a weapon for the IL-28 BEAGLE light jet bomber. The Chinese have about 250 of these aircraft, which have a better chance of reaching a defended target than the BULLs.

3. At present, the Chinese have a very limited supply of fissionable material. Until the Yumen facility comes into production, China is in poor position to carry on an active testing program and build any substantial stockpile of weapons at the same time.

C. In the present state of Chinese technology, any weapons they might make now would be crude and inefficient by our standards. By Far Eastern standards, however, they are a significant addition to Chinese military prestige.

IV. The Chinese probably started their missile development by test-firing Soviet MRBMs given them before the Sino-Soviet split in 1960.

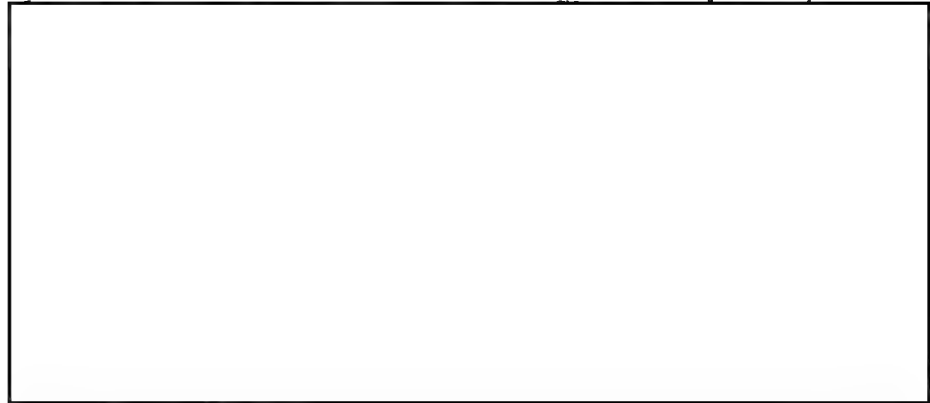
A. They may have begun testing their own native versions as early as 1963.

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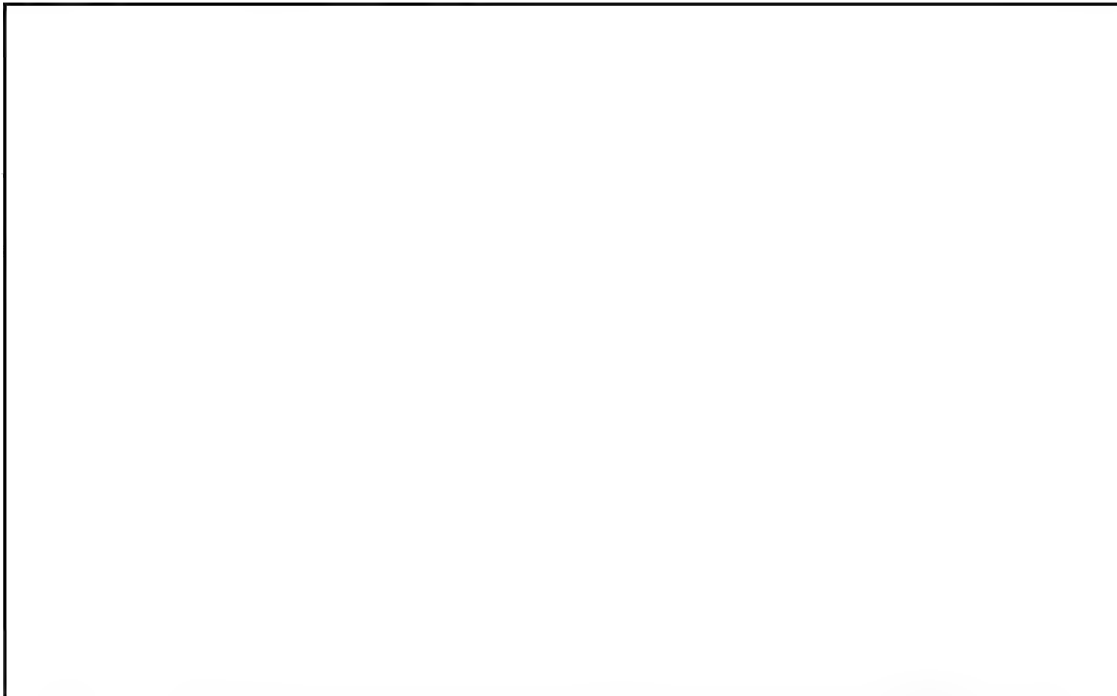
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- B. Now they are working on a number of missile programs.
- C. The medium-range surface-to-surface system is the oldest of these programs.
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2. If the Chinese inaugurate a reasonably successful flight test program within the next year or so, they probably could have a few ICBMs deployed by the early 1970s.

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5. These would be inferior in reliability and accuracy by U.S. standards, but in Chinese eyes they could constitute a limited intercontinental deterrent.

25X1C E. We think there is a good chance that the Chinese will try to orbit a satellite from Shuang-cheng-tzu this year. [] have been dropping hints along this line.

1. A successful launch would add to China's image as a developing technological nation.
2. The existing Chinese MRBM, with a second stage added, could put a satellite of several hundred pounds in orbit.

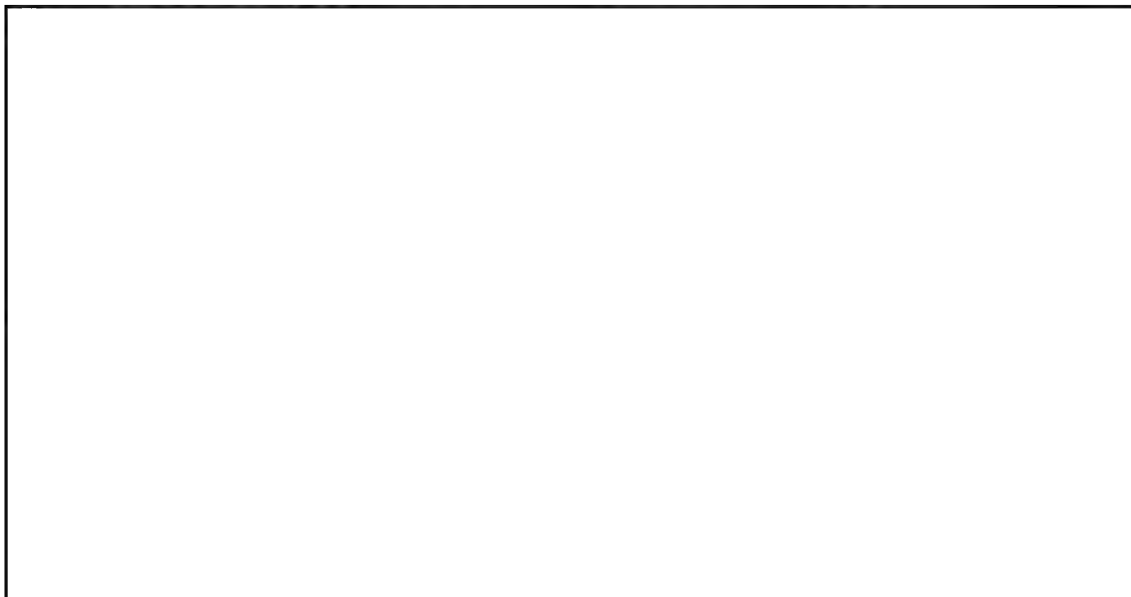
F. The Chinese are also working on missile systems for short ranges.

1. Complex C at the test center is working on a missile with a range of several hundred miles. This could be a weapon to fit the Chinese copy of the Soviet G-class submarine, armed with three ballistic missiles of 350-mile range.
2. They have also probably developed their own supply of missiles for the missile patrol boats they are building.

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A. Before the Sino-Soviet split, the Russians gave the Chinese a limited number of SA-2 launchers and missiles--but that was more than six years ago, and the missile has a shelf life of about 25X1D five years.



C. Even with a crash program, it would be several years before the Chinese would have enough operational SAM sites to make a significant contribution to their over-all air defense system.

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CHINESE CONVENTIONAL MILITARY FORCES

- I. Despite Chinese progress in advanced weapons, the military power of Communist China for some years to come will derive primarily from the numerical strength of its enormous ground forces---about 2,300,000 men---and great reserves of manpower.
- II. There are more than 100 infantry divisions and about a dozen armor and artillery divisions in the Chinese Communist Army, concentrated in the heavily populated regions of eastern China.
 - A. The Chinese Army probably has the capability to overrun any of its mainland neighbors, provided it does not run into significant opposition from a major power.
 1. It has demonstrated its ability to move and fight with primitive transportation and rudimentary logistic support.
 2. The Chinese are hampered by shortages of armor, heavy ordnance, mechanized transport, and fuel.
- III. The Chinese air force and navy are oriented primarily toward defensive missions.

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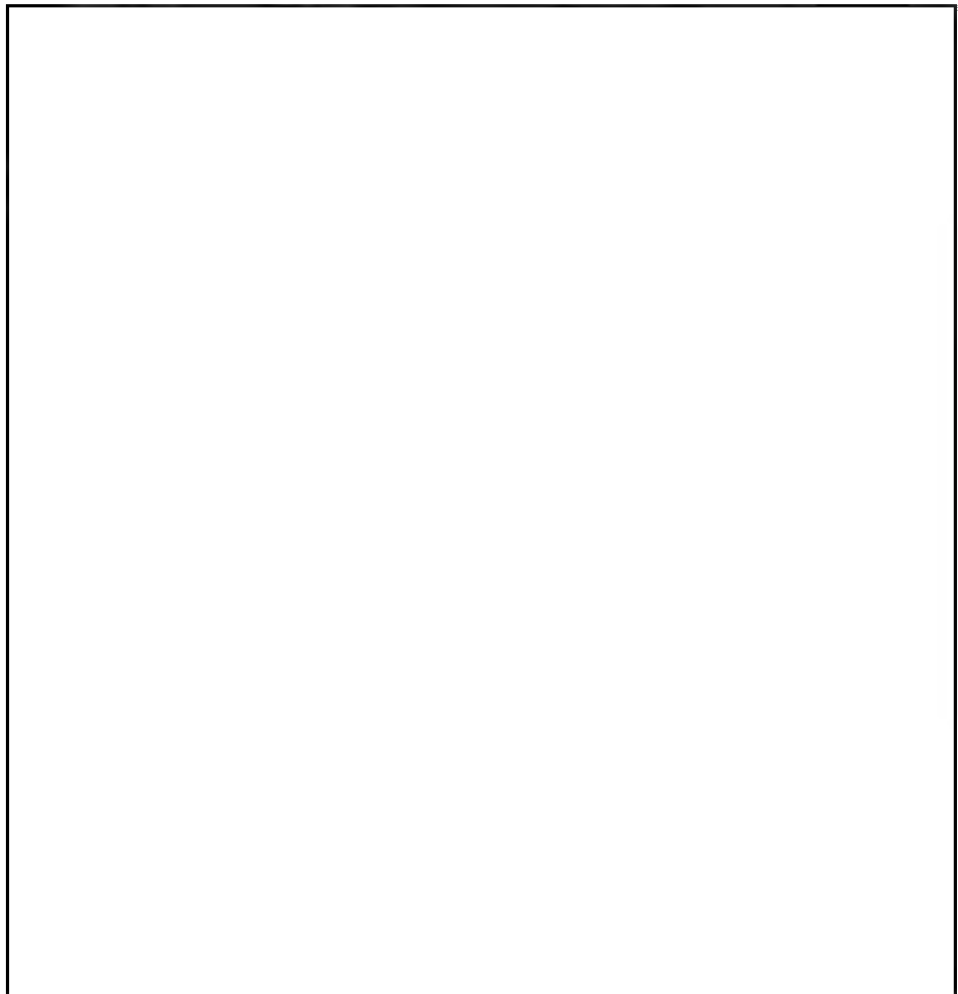
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- A. The bomber force at present consists of 250 jet light bombers--IL-28 BEAGLES. We believe the Chinese will start producing BADGER jet mediums about 1968.
- B. The bulk of the jet fighter force consists of about 1,900 MIG-15s and MIG-17s, obtained 10 or more years ago.

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IV. ~~Peking's navy is the weakest element of the Chinese armed forces, even with the world's fourth largest submarine force.~~

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2. [REDACTED] a report that the Chinese are producing the SU-7 from blueprints which a Chinese technician stole while he was working in a Russian factory. The report is suspect, however, because some of the details don't stand up. Also, the new aircraft look more like the MIC-19 than the SU-7.

3. A new native design would require two or three years of flight-testing before the aircraft are ready for series production.

IV. Peking's navy is the weakest element of the Chinese Communist armed forces, even with the world's fourth largest submarine fleet.

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- A. There are 34 submarines, most of them medium-range torpedo attack boats, but they have had no experience in extended operations. Most of their training takes place within 20 miles of the coast.
1. They are turning out two or three medium-range submarines a year. Their one copy of the Soviet ballistic-missile G-class has joined the fleet, but is being used in a conventional torpedo attack role. We have seen no evidence that the Chinese have a ballistic missile for it yet.
- B. The major surface units are four obsolete destroyers, and six relatively modern destroyer-escorts.
1. Two of the DE's joined the fleet in 1966, and two sister ships are in mid-construction.
 2. These new escort ships look like the Soviet 298-foot RIGA class, but the Chinese have made some major changes above the water line. The Chinese are building them from keel up to launching in six months; the fitting out process takes another four to six months.

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- 8 to 12*
C. The Chinese have ~~24~~ guided missile patrol boats, armed with missiles which have an effective range of about 15 miles. This poses a threat to conventionally armed destroyers with guns that can fire less than 10 miles.
1. All but two of these boats were built by the Chinese in 1966. ^{Five} ~~Four~~ of them are copies of the Soviet Osa-class, which carries four missiles and has a top speed of about 40 knots. ^{Three to seven} ~~Seven~~ are the somewhat slower Komar-class, carrying two missiles each.

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CHINESE EXPECTATIONS OF WAR

I. Peking's public stance remains as belligerent as ever, but behind this posturing the Chinese have been cautious to hold down the risks of a direct military clash with the United States.

A. This is not to say that Peking has been bluffing. We believe that there are three situations in which the Chinese would feel obliged to intervene:

1. One of these would arise from U.S.. air strikes against targets in China.

In May 1965, Chinese Foreign Minister Chen Yi asked the []

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25X1C [] to pass along a warning to this effect.

2. The second circumstance which would trigger Chinese intervention would be a major U.S. invasion of North Vietnam.

Chinese leaders passed this word to a

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3. In addition, if the collapse of the Hanoi Government should seem imminent, China would probably move into North Vietnam to "restore order."
- B. It is always dangerous to assume that the Chinese are going to be guided by rational decisions, but we believe that Peking is bound to feel that the domestic political turmoil and the intensification of the dispute with Moscow leave China less ready than it might otherwise be to engage in direct hostilities with the United States.
- C. Another factor which would contribute to increased Chinese caution would be a growing conviction in Peking that the United States is determined to persevere, over the short run at least, in the Vietnamese war.
- D. We think, therefore, that the threshold of sensitivity--the level at which Peking would feel forced to fight--has probably been raised a degree or two.
1. For example, a shallow incursion by US troops into the DMZ might be less likely today to trigger an immediate Chinese reaction than it would have been in 1965.

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II. There are no indications that the Chinese regard a US attack as a likely contingency in the near future--either as a result of a US initiative, or by a US reaction to some new Chinese move.

A. Chinese military deployments reflect deliberate efforts to carry out long-range plans to strengthen Chinese defenses, rather than urgent preparation for war.

B. We have also noted that Chinese air defense preparations do not reflect any of the "crash" nature they might have if the Chinese believed war to be imminent.

1. Defenses are being prepared around key factories, and there have been instances of relocation to the interior.
2. Some cities, in fact, have implemented programs aimed at the evacuation of non-essential residents. This, however, reflects a continuing campaign to combat the population movement from the farms to the cities.
3. By and large, there is no general and concerted civil defense preparation.

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- C. Even along the southern border with Vietnam. Peking has been very cautious in its reaction to US air operations.
1. On many occasions Chinese aircraft have not reacted to limited U.S. overflights of Chinese territory.
 2. On May 8, 1966, Chinese MIGs crossed the border for the first time to attack US fighter-bombers over Vietnam. Peking was apparently trying to probe the U.S. reaction to an extension of the Chinese air defense umbrella a short distance over North Vietnam.
 3. An inadvertent overflight of Chinese territory by U.S. aircraft four days later, during which a Chinese MIG was shot down, was apparently taken by Peking as a deliberate U.S. warning that we would not tolerate Chinese air protection of North Vietnam. Since that time, the Chinese have been even more cautious in their reaction to US flights.
- D. Chinese propaganda concerning Vietnam has decreased in volume over the past twelve months.

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1. Chinese statements concerning the "inevitability" of war with the US now appear only infrequently.
2. Peking has made no mention of "volunteers" for Vietnam since the fall of 1965, except for brief flurries last summer and again in December, after bombings in the area of Hanoi and Haiphong.
3. Peking has always said that the Vietnamese must bear the primary responsibility for fighting; in recent months this theme has been given more emphasis.

III. In June 1966, Foreign Minister Chen Yi asked the
25X1C [] to pass to the United States Government the following four points which Premier Chou En-lai had made earlier in an interview with a Pakistani journalist:

- A. Peking will never start a war with the US.
- B. China will continue to support countries "threatened" by the US.
- C. China is prepared for an escalation of the war.
- D. If the US extends the war to China, there will be a war without limits.
- E. We think these four points are probably an accurate statement of Peking's current position.

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